

**TARRANT COUNTY HOSPITAL DISTRICT (TCHD)
d/b/a/ JPS HEALTH NETWORK**

**1500 S. MAIN STREET
FORT WORTH, TX 76104
OUTPATIENT BUILDING, 3rd FLOOR AUDITORIUMS**

**JOINT BOARD OF MANAGERS AND FINANCE COMMITTEE MEETING
10:00 A.M. THURSDAY, JUNE 22, 2017**

MEETING MINUTES

The Tarrant County Hospital District ("District") Board of Managers and Finance Committee met 10:00 a.m. Thursday, June 22, 2017 on the 3rd Floor, Outpatient Clinic Auditoriums, John Peter Smith Hospital, 1500 South Main Street, Fort Worth, Texas, 76104, with the following Board/Committee members present:

Steve Montgomery, Committee Chair
Charles Powell, Board Chair
Charles Webber, M.D., Board Vice-Chair
D.T. Nguyen, Board Secretary
Dorothy DeBose, Member (Arrived at 10:12 a.m.)
Warren Norred, Member
Scott Kayser, M.D., Member
Daniel Ziegler, M.D., Member (Arrived at 10:19 a.m.)

Members Absent: Rev. Ralph Emerson, Immediate Past Board Chair
Trent Petty, Past Board Chair
Daniel Casey, M.D., Member

Others Attending: Robert Earley, President, Chief Executive Officer
Bill Whitman, Executive Vice President, Chief Operating Officer
Sharon Clark, Executive Vice President, Chief Financial Officer
Jeanna Adler, Vice President, Finance
Joe Velasquez, Director, Supply Chain
Joe Bindel, Manager, Supply Chain Operations
Joseph Ramirez, Manager, Warehouse and Distribution
James Johnson, M.D., President, Acclaim Physician Group
Dianna Prachyl, Senior Vice President, Chief Operating Officer, Acclaim
Wanda Peebles, Senior Vice President, Chief Nursing Officer
Kay Duncan, Executive Director, Care Management
Ronald Skillens, Senior Vice President, Enterprise Risk Management
Melinda Costin, Senior Vice President, Chief Information Officer
David Mendenhall, Vice President, Chief Technology Officer
Scott Rule, Vice President, Chief of Staff
Kathleen Whelan, Vice President, Clinical and Professional Operations
J.R. Labbe, Vice President, Communications and Community Affairs
Merianne Roth, Vice President, Chief Strategy Officer
Jaime Pillai, Vice President, Operations Support Service
Arthur Elgin, Executive Director, Facilities Management and Plant Operations

Chief Del Fisher, Executive Director, Tarrant County Hospital District Police
Pia Walker, Vice President, Human Resources
Tricia Elliott, M.D., Vice President, Academic Affairs
Nydia Gonzalez, Vice President, Diversity and Inclusion, Chief Diversity Officer
Michelle Green-Ford, Director, Diversity and Inclusion
Madhura Chandak, Executive Director, Integration
Ammie Harris, Executive Director, Contract Administration
Nicole Rios, Healthcare Administrative Internship
Sasha Manouchehripour, Healthcare Administrative Internship
Allan Graves, General Counsel
Clarie Cressey, Executive Assistant

Guest Attending: Jeni McGarry, Precinct 2 Administrator, Tarrant County Commissioners Court

I. CALL TO ORDER

Steve Montgomery called the June 22, 2017 TCHD Joint Board of Managers and Finance Committee meeting to order at 10:10 a.m. Members present represented a quorum to conduct committee business.

II. CITIZENS WISHING TO ADDRESS THE BOARD

There were no citizens present wishing to address the Finance Committee.

III. MINUTES

Mr. Montgomery asked the Committee to review minutes from the June 1, 2017 Tarrant County Hospital District Joint Board of Managers and Finance Committee meeting and called for a motion. Charles Webber, M.D., made a motion for approval; motion was seconded by Charles Powell and carried unanimously.

IV. CFO REPORT

Sharon Clark communicated to the Board that BKD, LLP was awarded the contract to perform the District's annual audit. BKD, LLP is the incumbent vendor.

V. MATTERS THAT REQUIRE DISCUSSION AND REQUIRING BOARD ACTION

A. Consider Acceptance of May 2017 Unaudited Financial Report

Ms. Clark presented the Unaudited Financial Report for May 2017.

Hospital:

Inpatient Admissions were favorable by approximately 6% compared to budget with more than 2,300 admissions for May. Patient Days were favorable by more than 3% compared to budget. Case Mix was slightly unfavorable by 1% compared to budget, which reflected lower acuity of patients. Length of Stay was 7% lower compared to the budget.

There were 11,379 Emergency Department visits during May. This was the highest recorded number of monthly visits over the last three year period.

Urgent Care Visits were favorable by more than 12% compared to budget with more than 5,200 visits during May. Total Clinic Visits were favorable by more than 3% compared to budget with 63,548 visits for May. Outpatient Visits were favorable by approximately 5% compared to budget.

Observation Days were unfavorable by approximately 8% compared to budget. Invasive Lab Cases were favorable by about 6% compared to the budget. Inpatient Surgeries were favorable by 1.5% compared to budget. Outpatient Surgeries were favorable by almost 7% compared to budget reflecting more than 850 surgeries for May, and was the highest recorded month over the last three year period.

Psychiatric Patient Days were favorable by more than 3.5% compared to budget with 3,813 days, and was recorded as the highest month over the last three year period. Psychiatric Clinic Visits were favorable by more than 5% compared to budget. Psychiatric Emergency Visits were favorable by more than 7% compared to budget with 1,789 visits.

Year-to-date FTEs per Adjusted Patient Day was favorable at 5.91 compared to a budgeted 5.96. Days Cash on Hand was at 288 days. Net Account Receivable Days were at 53. Payor Mix year-to-date remained relatively constant.

JPS Connection enrollment increased by 1.5% during May with a year-to-date total of 39,676 enrollments.

Net patient service revenue was favorable by \$723,000 compared to budget. Uncompensated Care was unfavorable by \$833,000 compared to budget to compensate for the projected annual \$10 million FY17 shortfall. Other operating revenue was favorable by \$317,000 compared to budget.

Total operating revenue was favorable by \$298,000 compared to budget.

Salaries were unfavorable by \$1.4 million compared to budget because of high volumes and a one-time retroactive merit payout. For May, paid FTEs were favorable at 5.85 compared a budgeted 6.03. Benefits were unfavorable by \$807,000 compared to budget. Higher than normal employee health insurance claims were experienced for both April and May.

Purchased Services were unfavorable by \$1 million compared to budget. Approximately \$700,000 was related to additional outside medical services and \$300,000 was for the blood bank, laboratory, and outpatient pharmacy oversight.

For the month, loss from operations was \$1.9 million compared to a budgeted income from operations of \$1.3 million. Year-to-date income from operations was \$2.1 million compared to a budgeted \$9.5 million.

Acclaim:

Physician billed encounters were unfavorable by 7% compared to budget, and was consistent with the open physician positions that are being recruited.

Net patient service revenue was unfavorable by 8% compared to budget. Other operating revenue was favorable by \$700,000 due to the receipt of an unbudgeted meaningful use payment.

Salaries were unfavorable by \$228,000 compared to budget. Purchased services were unfavorable compared to the budget by \$66,000 because of associated legal and consulting fees for physician contracts.

For the month, Acclaim's financial statements reflected a \$1 million loss from operations compared to a budgeted \$729,000 loss from operations. Year-to-date, the loss from operations was \$11.2 million compared to a budgeted loss of \$5.5 million.

There being no further questions or discussion, Mr. Montgomery called for a motion to accept the May 2017 Unaudited Financial Report. Dr. Webber made a motion for approval; motion was seconded by Dorothy DeBose as presented and carried unanimously.

B. Consider Approval of Rental Agreement between ArjoHuntleigh, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Jeanna Adler presented the Rental Agreement between ArjoHuntleigh, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Rental Agreement between ArjoHuntleigh, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

C. Consider Professional Services Agreement between Acclaim Physician Group, Inc. and Physician Assistant Services of Texas, L.L.P.

Dianna Prachyl presented the Professional Services Agreement between Acclaim Physician Group, Inc. and Physician Assistant Services of Texas, L.L.P. to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Professional Services Agreement between Acclaim Physician Group, Inc. and Physician Assistant Services of Texas, L.L.P. Ms. DeBose made a motion for approval; motion was seconded by D.T. Nguyen as presented and carried unanimously.

D. Consider Approval of Purchase Agreement between Biocomposites, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Wanda Peebles presented the Purchase Agreement between Biocomposites, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Biocomposites, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Nguyen made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

- E. Consider Approval of Skilled Nursing Facility Services Agreement between SSC Fort Worth Downtown Operating Company LLC, d/b/a Downtown Health & Rehabilitation Center and SSC Fort Worth Nursing and Rehabilitation Center Operating Company LLC, d/b/a Arlington Heights Health and Rehabilitation Center and Tarrant County Hospital District d/b/a JPS Health Network

Ms. Peebles presented the Skilled Nursing Facility Services Agreement between SSC Fort Worth Downtown Operating Company LLC, d/b/a Downtown Health & Rehabilitation Center and SSC Fort Worth Nursing and Rehabilitation Center Operating Company LLC, d/b/a Arlington Heights Health and Rehabilitation Center and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Skilled Nursing Facility Services Agreement between SSC Fort Worth Downtown Operating Company LLC, d/b/a Downtown Health & Rehabilitation Center and SSC Fort Worth Nursing and Rehabilitation Center Operating Company LLC, d/b/a Arlington Heights Health and Rehabilitation Center and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Nguyen made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.

- F. Consider Approval of Agreement Quotation Nos. 1-HU7HV0-2 and 1-HVJ7BB-0 between Tarrant County Hospital District d/b/a JPS Health Network and Siemens Healthcare Diagnostics, Inc.

Kathleen Whelan presented the Agreement Quotation Nos. 1-HU7HV0-2 and 1-HVJ7BB-0 between Tarrant County Hospital District d/b/a JPS Health Network and Siemens Healthcare Diagnostics, Inc. to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Agreement Quotation Nos. 1-HU7HV0-2 and 1-HVJ7BB-0 between Tarrant County Hospital District d/b/a JPS Health Network and Siemens Healthcare Diagnostics, Inc. Ms. DeBose made a motion for approval; motion was seconded by Mr. Powell as presented and carried unanimously.

- G. Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d) regarding an exception to competitive bidding for purchase of professional services where obtaining the services through competitive bidding is prohibited or not practical and Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies: Consider Approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Quote # JPSQ04440-1 for Aptio Automation/Central Link Interfaces – Siemens between Soft Computer Consultants, Inc. d/b/a SCC Soft Computer and Tarrant County Hospital District d/b/a JPS Health Network

Melinda Costin presented Pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d) regarding an exception to competitive bidding for purchase of professional services where obtaining the services through competitive bidding is prohibited or not practical and Section VIII(g)(1) regarding an exception to competitive bidding for purchase of goods and services for which competition is precluded because of the existence of patents, copyrights, secret processes, or monopolies: Consider Approval of exemptions(s) of purchase from competitive bidding and Consider Approval of Quote # JPSQ04440-1 for Aptio Automation/Central Link Interfaces – Siemens between Soft Computer Consultants, Inc. d/b/a SCC Soft Computer and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve exemption(s) of purchase from competitive bidding pursuant to JPS Purchasing Procedure LD 7205 Section VIII(d) and Section VIII(g)(1), and to approve Quote # JPSQ04440-1 for Aptio Automation/Central Link Interfaces – Siemens between Soft Computer Consultants, Inc. d/b/a SCC Soft Computer and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Powell made the motion for approval of both the exemption(s) and the Agreement; motion was seconded by Ms. Debose as presented and carried unanimously.

H. Consider Approval of Purchase Agreement between Netsync Network Solutions and Tarrant County Hospital District d/b/a JPS Health Network

David Mendenhall presented the Purchase Agreement between Netsync Network Solutions and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Netsync Network Solutions and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

I. Consider Approval of Purchase Agreement between Clear Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Mr. Mendenhall presented Purchase Agreement between Clear Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Clear Technologies, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Mr. Nguyen made a motion for approval; motion was seconded by Dr. Webber as presented and carried unanimously.

J. Consider Approval of Purchase Agreement between Acumen Enterprises, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Jaime Pillai presented the Purchase Agreement between Acumen Enterprises, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between Acumen Enterprises, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Ms. DeBose as presented and carried unanimously.

K. Consider Approval of Purchase Agreement between SKIDATA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network

Mr. Pillai presented the Purchase Agreement between SKIDATA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network to the Committee for consideration.

There being no further questions or discussion, Mr. Montgomery called for a motion to approve the Purchase Agreement between SKIDATA, Inc. and Tarrant County Hospital District d/b/a JPS Health Network. Dr. Webber made a motion for approval; motion was seconded by Mr. Nguyen as presented and carried unanimously.

VII. **REPORT OF GENERAL LEGAL COUNSEL AND/OR LEGAL MATTERS REQUIRING DISCUSSION(S), UPDATE(S), DELIBERATION(S), ACTION(S) AND/OR APPROVAL**

Allan Graves announced the monthly report listing 32 contracts under \$200,000 was posted to the board portal.

VIII. **RECONVENE IN EXECUTIVE SESSION PURSUANT TO CHAPTER 551, TEXAS GOVERNMENT CODE FOR THE FOLLOWING:**

The Committee reconvened in Executive Session at 11:24 a.m.

IX. **RECONVENE IN OPEN SESSION FOR DELIBERATION(S) AND/OR ACTION(S) DEEMED NECESSARY REGARDING ANY MATTER LISTED ON THE CLOSED SESSION AGENDA.**

The Committee reconvened in open session at 11:34 a.m.

No action, informational only.

X. **ADJOURN**

There being no further business of the TCHD Joint Board of Managers and Finance Committee meeting was adjourned at 11:35 a.m.



Steve Montgomery, Finance Committee Chairman

7/27/2017

Date